



City of Cambridge

25.

IN CITY COUNCIL

June 20, 1994

VICE MAYOR RUSSELL
COUNCILLOR TOOMEY
COUNCILLOR BORN
COUNCILLOR DUEHAY
COUNCILLOR SULLIVAN
COUNCILLOR TRIANTAFILLOU

ORDERED: That a hearing be held before the City Council to address the concerns in the attached letter from Local 40 of the Carpenters Union regarding the Biogen project before the summer recess.

In City Council June 20, 1994.

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk

A true copy;

ATTEST:-

D. Margaret Drury
D. Margaret Drury
City Clerk



OFFICE OF THE CITY CLERK

CITY OF CAMBRIDGE

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139

(617) 349-4260

FAX (617) 349-4307

D. MARGARET DRURY
CITY CLERK

JOHN E. FLYNN
DEPUTY CITY CLERK

June 22, 1994

Mr. James Tobin, President
Biogen Corporation
14 Cambridge Center
Cambridge, MA 02142

Dear Mr. Tobin:

Please be advised that a Special Meeting of the City Council has been scheduled for Monday, June 27, 1994 at 4:30 P. M. in the Sullivan Chamber, Second Floor, City Hall, 795 Massachusetts Avenue, Cambridge, Massachusetts.

This hearing is being held in response to the communication received from Mark Erlich requesting to address the City Council regarding the Biogen project before the summer recess. I have enclosed a copy of his communication for your information.

You are requested to attend at this time and be heard.

Thank you for your cooperation in this matter.

Very truly yours,

D. Margaret Drury
City Clerk

Enc. (1)

DMD/dl



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D. MARGARET DRURY
CITY CLERK

JOHN E. FLYNN
DEPUTY CITY CLERK

June 22, 1994

Mr. Mark Erlich
Business Manager/Financial Secretary
United Brotherhood of Carpenters and Joiners of America
Local Union No. 40
109 Smith Place
Cambridge, MA 02138

Dear Mr. Erlich:

Please be advised that a Special Meeting of the City Council has been scheduled for Monday, June 27, 1994 at 4:30 P. M. in the Sullivan Chamber, Second Floor, City Hall, 795 Massachusetts Avenue, Cambridge, Massachusetts.

The purpose of this hearing is in response to your communication to address the City Council regarding the Biogen project before the summer recess.

You are requested to attend at this time and be heard.

Thank you for your cooperation in this matter.

Very truly yours,

D. Margaret Drury
City Clerk

DMD/dl



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**D. MARGARET DRURY
CITY CLERK**

**JOHNE. FLYNN
DEPUTY CITY CLERK**

June 22, 1994

**TO: SUSAN SCHLESINGER
ASSISTANT CITY MANAGER FOR COMMUNITY DEVELOPMENT**

**FROM: D. MARGARET DRURY
CITY CLERK**

SUBJECT: SPECIAL MEETING - BIOGEN PROJECT

Please be advised that Mayor Kenneth E. Reeves has scheduled a Special Meeting for Monday, June 27, 1994 at 4:30 P. M. in the Sullivan Chamber.

The purpose of this meeting is on the communication received from Mark Erlich requesting to address the City Council regarding the Biogen Project.

Thank you for your cooperation in this matter.

Enc. communication from Mark Erlich

c.c. Robert W. Healy, City Manager



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**D. MARGARET DRURY
CITY CLERK**

**JOHN E. FLYNN
DEPUTY CITY CLERK**

June 22, 1994

**TO: ROBERT W. HEALY
CITY MANAGER**

**FROM: D. MARGARET DRURY
CITY CLERK**

SUBJECT: SPECIAL MEETING - BIOGEN PROJECT

Please be advised that Mayor Kenneth E. Reeves has scheduled a Special Meeting for Monday, June 27, 1994 at 4:30 P. M. in the Sullivan Chamber.

The purpose of this meeting is on the communication received from Mark Erlich requesting to address the City Council regarding the Biogen Project.

You or your designee have been requested to attend at this time.

Thank you for your cooperation in this matter.

Enc. Communication from Mark Erlich

25

United Brotherhood of Carpenters and Joiners of America

MARK ERLICH
Business Manager/
Financial Secretary

JACK WHALEN
Business Representative/
Organizer

LOCAL UNION No. 40



109 SMITH PLACE
CAMBRIDGE, MA 02138

TELEPHONE: (617) 547-8511
FAX: (617) 547-0371

June 9, 1994

Vice Mayor Sheila T. Russell
City Hall
Cambridge, Ma. 02139

Dear Vice Mayor Russell:

We were had. You were had.

Last year, Biogen, Inc. came to the City Council and requested a 121A tax abatement for their \$40 million construction project in Kendall Square. Many of you in the Council and many of us in the community were supportive of some responsible private development activity after four years of a devastating recession in Cambridge and the region.

The request for a 121A represented millions of dollars in savings for Biogen. Naturally, the Council asked what benefits the City would reap in exchange for the loss of tax revenues. At one of the initial hearings on the subject, a number of Councillors raised the issue of community benefits to Biogen representatives. In addition, I spoke in favor of the project but testified against the granting of the tax abatement based on Biogen's selection of a non-union general contractor, Marshall Contractors of Rhode Island.

After that Council meeting, representatives of the Carpenters Union and Marshall met and reached an understanding in which Marshall promised to sign the standard collective bargaining agreement. At the next City Council meeting, I withdrew my objection and spoke in favor of the Biogen proposal. That night, the Council voted 9 - 0 to support the 121A request. At a subsequent community event, I encountered the Biogen officials that represented the firm at the Council meetings and we spoke warmly about the prospects of working together.

Unfortunately, all of those efforts appear to have been pointless. Marshall has not signed the agreement. From the

outset of the project, their posture as general contractor has been that they will only use union subcontractors if they are as cheap as their non-union counterparts.

The structural steel was erected by a non-union company from northern New Hampshire that paid as little as \$9 an hour to its employees. The electrical contractor has been debarred from federally-funded projects because of violations of federal wage laws. The New Hampshire company that has been awarded the fabrication and installation of cabinets and finish carpentry was also determined to be in violation of federal wage laws by the U.S. Department of Labor.

The initial carpentry tasks on the project have been, in fact, performed by union carpenters. Though Marshall continued to avoid signing an agreement, we believed it was appropriate to waive our customary policy and work with them based on promises that had been made. Now, however, Marshall has informed us that the bulk of the remaining carpentry work will be done on a non-union basis. This is a clear repudiation of what we were promised and what you were told.

Over the past few months, it has become clear to us that Biogen is calling the shots for Marshall. Despite all of their flowery statements about community responsibility and community benefits, they have adopted a hardball bottom-line approach. Apparently, now that the permits and approvals are all in place, Biogen is prepared to run roughshod over community standards that have been built up over many years.

I have contacted Biogen officials to try to resolve this dispute outside of the public arena. I received a curt response informing me that Biogen had an "arms-length" relationship with Marshall. Yet in all my other discussions with Biogen and Marshall personnel, they have made it abundantly clear that Biogen is setting policy on this project. They seek to take advantage of the ravages of the construction depression by selecting subcontractors that pay sub-standard wages, provide no health insurance or pension benefits, offer no apprenticeship training, and, often, violate state and federal tax and labor laws.

You granted Biogen a massive tax break and now they are thumbing their noses at local labor organizations. The Ironworkers Union had a mass demonstration and picketed the project. The Electrical Workers have been picketing and leafleting. And now, apparently, the Carpenters Union is being forced to enter the fray despite commitments that were made to us.

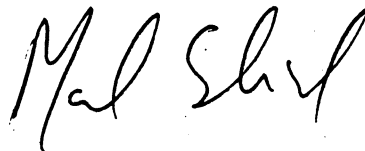
Other companies in the same industry have adopted a more benign attitude. Genzyme won a 121A tax abatement from the City of Boston and built a project in Allston with 100% union labor and no labor problems. Lotus and Whitehead Institute are building projects in Kendall Square/East Cambridge with union labor. Yet, for some reason, Biogen wants no part of community responsibility.

This issue is not about money. The Carpenters were told that the dollar differential that Marshall cited as the reason to select non-union carpentry contractors is less than one-half of one percent of the total project value. For that matter, it is less than one week's pay for James Vincent, CEO of Biogen, who received \$12,767,000 in total compensation last year, according to the Boston Business Journal.

Biogen is not a struggling start-up company. It is prosperous enough that the construction costs are coming out of cash reserves. It is outrageous that a firm that can pay its CEO nearly \$13 million a year cannot afford to pay local tradesmen and women the community standard wage.

There is no longer any justification for the City's generous behavior toward Biogen based on its stance toward the community and organized labor. I urge you to reconsider that decision and revoke the 121A tax abatement.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Erlich", written in a cursive style.

Mark Erlich
Business Manager



City of Cambridge

25.

IN CITY COUNCIL

June 13, 1994

VICE MAYOR RUSSELL
COUNCILLOR TOOMEY
COUNCILLOR BORN
COUNCILLOR DUEHAY
COUNCILLOR SULLIVAN
COUNCILLOR TRIANTAFILLOU

ORDERED: That a hearing be held before the City Council to address the concerns in the attached letter from Local 40 of the Carpenters Union regarding the Biogen project before the summer recess.

NO ACTION TAKEN

25

United Brotherhood of Carpenters and Joiners of America

MARK ERlich
Business Manager/
Financial Secretary

JACK WHALEN
Business Representative/
Organizer

LOCAL UNION No. 40



109 SMITH PLACE
CAMBRIDGE, MA 02138

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June 9, 1994

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The request for a 121A represented millions of dollars in savings for Biogen. Naturally, the Council asked what benefits the City would reap in exchange for the loss of tax revenues. At one of the initial hearings on the subject, a number of Councillors raised the issue of community benefits to Biogen representatives. In addition, I spoke in favor of the project but testified against the granting of the tax abatement based on Biogen's selection of a non-union general contractor, Marshall Contractors of Rhode Island.

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Unfortunately, all of those efforts appear to have been pointless. Marshall has not signed the agreement. From the

outset of the project, their posture as general contractor has been that they will only use union subcontractors if they are as cheap as their non-union counterparts.

The structural steel was erected by a non-union company from northern New Hampshire that paid as little as \$9 an hour to its employees. The electrical contractor has been debarred from federally-funded projects because of violations of federal wage laws. The New Hampshire company that has been awarded the fabrication and installation of cabinets and finish carpentry was also determined to be in violation of federal wage laws by the U.S. Department of Labor.

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Over the past few months, it has become clear to us that Biogen is calling the shots for Marshall. Despite all of their flowery statements about community responsibility and community benefits, they have adopted a hardball bottom-line approach. Apparently, now that the permits and approvals are all in place, Biogen is prepared to run roughshod over community standards that have been built up over many years.

I have contacted Biogen officials to try to resolve this dispute outside of the public arena. I received a curt response informing me that Biogen had an "arms-length" relationship with Marshall. Yet in all my other discussions with Biogen and Marshall personnel, they have made it abundantly clear that Biogen is setting policy on this project. They seek to take advantage of the ravages of the construction depression by selecting subcontractors that pay sub-standard wages, provide no health insurance or pension benefits, offer no apprenticeship training, and, often, violate state and federal tax and labor laws.

You granted Biogen a massive tax break and now they are thumbing their noses at local labor organizations. The Ironworkers Union had a mass demonstration and picketed the project. The Electrical Workers have been picketing and leafleting. And now, apparently, the Carpenters Union is being forced to enter the fray despite commitments that were made to us.

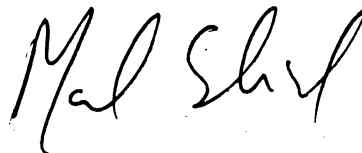
Other companies in the same industry have adopted a more benign attitude. Genzyme won a 121A tax abatement from the City of Boston and built a project in Allston with 100% union labor and no labor problems. Lotus and Whitehead Institute are building projects in Kendall Square/East Cambridge with union labor. Yet, for some reason, Biogen wants no part of community responsibility.

This issue is not about money. The Carpenters were told that the dollar differential that Marshall cited as the reason to select non-union carpentry contractors is less than one-half of one percent of the total project value. For that matter, it is less than one week's pay for James Vincent, CEO of Biogen, who received \$12,767,000 in total compensation last year, according to the Boston Business Journal.

Biogen is not a struggling start-up company. It is prosperous enough that the construction costs are coming out of cash reserves. It is outrageous that a firm that can pay its CEO nearly \$13 million a year cannot afford to pay local tradesmen and women the community standard wage.

There is no longer any justification for the City's generous behavior toward Biogen based on its stance toward the community and organized labor. I urge you to reconsider that decision and revoke the 121A tax abatement.

Sincerely,

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Mark Erlich
Business Manager

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United Brotherhood of Carpenters and Joiners of America

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Business Manager/
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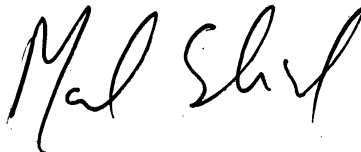
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There is no longer any justification for the City's generous behavior toward Biogen based on its stance toward the community and organized labor. I urge you to reconsider that decision and revoke the 121A tax abatement.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Erlich". The signature is fluid and cursive, with the first name "Mark" and last name "Erlich" clearly distinguishable.

Mark Erlich
Business Manager



City of Cambridge

25.

IN CITY COUNCIL

June 13, 1994

VICE MAYOR RUSSELL

ORDERED: That a hearing be held before the City Council to address the concerns in the attached letter from Local 40 of the Carpenters Union regarding the Biogen project before the summer recess.

Born, Duchay, Sullivan, Truanta
Consent Order # 25 S-292
fellow
Vice Mayor Russell and Councillor Toomey
re: a hearing for the Carpenters Union
Local # 30 regarding the Biogen project.

In City Council,

June 13, 1994

6/13/94 No action taken